

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

9

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. LC 065347
2. Name of Operator Gruy Petroleum Management Co.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972-401-3111	7. If Unit or CA/Agreement, Name and/or No. NMNM 91062
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1400' FSL & 860' FWL Sec. 21 T24S - R26E		8. Well Name and No. Eddy 21 Federal Com No. 3
		9. API Well No. 30-015-32635
		10. Field and Pool, or Exploratory Area White City; Penn (Gas)
		11. County or Parish, State Eddy Co., NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Surface &amp; Intermediate Casing</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- 02-19-03 Spud well at 5AM on 02-19-03. Drill to 440'. Cement with 340 sx of lead cement and 150 sx of tail cement.
- 02-20-03 Cement with 340 sx of lead cement and 150 sx of tail cement. Received full returns. Bumped plug and float held. Circulated 170 sx to reserve pit. WOC 23.5 hours.
- 02-28-03 Drill to 3200'. Rig up casers and run 75 jts of 9.625 J-55 40 LTC casing to 3190'. Wash 7' to bottom and circulate hole volume. Cement with 860 sx of lead and 200 sx of tail. Displace with 240 bbls of fresh water with full returns. Circulate 228 sx of cement to reserve pit and bumped plug to 1200 psi and held. WOC 14.5 hours.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Natalie Krueger

Signature

*Natalie Krueger*

Title

Production Assistant

Date

March 26, 2003

ACCEPTED FOR RECORD

APR 3 - 2003

LES BABYAK  
PETROLEUM ENGINEER

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

February 19, 2003 Thru March 1, 2003

### OPERATED

#### CARLSBAD SOUTH

GRUY PETROLEUM MANAGEMENT CO			W.I. Pct BCP	20.31 %
76936 EDDY 21 FEDERAL COM #3			W.I. Pct ACP	20.31 %
EDDY, NM			Morrow / 12,000'	
			1400'FWL & 860'FWL Sec 21, T24S, R26	
02/19/2003	Depth	440		
	Progress	440		
AFE:	23060	Present Operation:	Cutting Conductor	
Spud and drill to 253'. WLS at 208' - 1 deg. Drilling to 440'. Circulate. Drop survey tool and trip out of hole for casing. Make up TP Guide Shoe, float joint, and float collar. Cross threaded joint above float collar due to very strong winds. Wait 2 hours for another float collar and laydown 2 joints with damaged threads. Made up new float collar and resume running casing. Wind slowed operations considerably and did not die down until early morning. Landed casing on bottom at 440' and hook up Halliburton. Circulate. Cement with 340 sx of Lead cement and 150 sx of Tail cement with full returns. Bumped plug and float held. Circulated 170 sx to reserve pit. BLM witnessed casing / cement job. Wait on Cement.				
02/20/2003	Depth	906		
	Progress	466		
AFE:	23060	Present Operation:	Drlg	
Cut conductor & casing, weld on wellhead & test to 1000#; NU BOP stack; test blind rams to 500#; TIH to FC at 395'; test casing to 600#, test annular & pipe rams to 600#; drill float, cmt & shoe at 440'; drlg with motor from 440-906' with 35-45K WOB & 65 RPM - Daily ROP - 33.2'/hr				
02/21/2003	Depth	1,260		
	Progress	354		
AFE:	23060	Present Operation:	Drlg	
Drilling from 906' - 995' with 15 - 35K WOB and 65 RPM on rotary. Wireline Survey at 916' - 3.5 degrees. Drilling from 995' - 1121' with 10K WOB and 75 RPM on rotary. Wireline Survey at 1107' - 4.5 degrees. Drilling from 1121' - 1249' with 4K WOB and 80 RPM on rotary. Took one pump off hole and speed up other pump to 120 spm. Drilling mostly salt with Anhydrite stringers. Wireline Survey at 1200' - 4.25 degrees. Drilling from 1249' - 1260' with 4K WOB and 80 RPM on rotary. Bit speed is 140 RPM.				
02/22/2003	Depth	1,360		
	Progress	100		
AFE:	23060	Present Operation:	Drlg	
DRILL F/ 1260' - 1290'. AVG. ROP - 3.2 FPH. WOB - 4, RPM - 75 SERVICE RIG. DRILL F/ 1290' - 1312'. AVG. ROP - 5.5 FPH. WOB - 8, RPM - 60. WLS @ 1300' - 4 1/2 DEG. DRILL F/ 1312' - 1360'. AVG. ROP - 5 FPH. WOB - 5, RPM - 55. WILL TAKE ANOTHER WLS AT 1400'.				
02/23/2003	Depth	1,425		
	Progress	65		
AFE:	23060	Present Operation:	Drlg	
DRILL F/ 1360' - 1365'. AVG. ROP - 3.3 FPH. WOB - 7, RPM - 50. WLS @ 1347' - 4 1/4 DEG.				

Wednesday, 26 March, 2003

EDDY 21 FEDERAL COM #3

TOH TO CHANGE BHA. ( LD SHOCK SUB, WO 3 PT RMR - LD 3PT- HAD 1 LOOSE ROLLER. ) TIH.

DRILL

F/ 1365' - 1367'. AVG. ROP - 2 FPH. WOB - 5, RPM - 45. WLS @ 1367' - 4 3/4 DEG. DRILL F/ 1367' - 1398'. AVG. ROP - 3.1 FPH. WOB - 5, RPM - 45. WLS @ 1398' - 4 1/4 DEG. DRILL F/ 1398' - 1425'. AVG. ROP - 9 FPH. WOB - 8, RPM - 45.

02/24/2003                      Depth                      1,530  
Progress                      105  
AFE:                      23060                      Present Operation:    Drlg

DRILL F/ 1425' - 1430'. AVG. ROP - 3 FPH. WOB - 9, RPM - 45. WLS @ 1415' - 4 DEG. DRILL F/ 1430' - 1462'. AVG. ROP - 4 FPH. WOB - 10, RPM - 45. WLS @ 1447' - 4 DEG. DRILL F/ 1462' - 1498'. AVG. ROP - 4.9 FPH. WOB - 11, RPM - 45. WLS @ 1498' - 3 3/4 DEG. DRILL F/ 1498' - 1530'. AVG. ROP - 5.8 FPH. WOB - 12, RPM - 45. WLS @ 1510' - 3 3/4 DEG.

02/25/2003                      Depth                      1,765  
Progress                      235  
AFE:                      23060                      Present Operation:    Drlg

Drilling from 1530' - 1557' with 12K WOB and 40 RPM. Wireline Survey at 1542' - 3.25 degrees. Drilling from 1557' - 1589' with 12K WOB and 40 RPM. Wireline Survey at 1574' - 3.0 degrees. Drilling from 1589' - 1621' with 18K WOB and 40 RPM. Wireline Survey at 1606' - 2.75 degrees. Trip for BHA. Drilling from 1621' - 1661' with 25K WOB and 40 RPM. Wireline Survey at 1646' - 2.75 degrees. Drilling from 1661' - 1725' with 30K WOB and 40 RPM. Wireline Survey at 1677' - 2.75 degrees. Drilling from 1725' - 1765' with 30K WOB and 40 RPM. Will run survey this kelly down. Daily ROP - 12.7/hr

02/26/2003                      Depth                      2,430  
Progress                      665  
AFE:                      23060                      Present Operation:    Drlg

Drilling from 1765' - 1788' with 30K WOB and 40 RPM. Wireline Survey at 1773' - 2 degrees. Drilling from 1788' - 1948' with 35K WOB and 50 RPM. Wireline Survey at 1908' - 2 degrees. Drilling from 1948' - 2202' with 45K WOB and 50 RPM. Wireline Survey at 2170' - 2 degrees. Drilling from 2202' - 2430' with 45 - 50K WOB and 50 RPM. Daily ROP - 29.5'/hr / Cum ROP - 14.4'/hr. Formation firmed up around 2300' and ROP dropped off to 17' - 20'/hr.

02/27/2003                      Depth                      3,050  
Progress                      620  
AFE:                      23060                      Present Operation:    Drlg

Drilling from 2430' - 2489' with 45K WOB and 50 RPM. Rig Service. Drilling from 2489' - 2711' with 45K WOB and 50 RPM. Wireline Survey at 2669' - 1.25 degrees. Drilling from 2711' - 3050' with 60K WOB and 50 RPM. Daily ROP - 26.9'/hr / Cum ROP - 16.5'/hr.

02/28/2003                      Depth                      3,197  
Progress                      147  
AFE:                      23060                      Present Operation:    NU BOP Stack

Drilling from 3050' - 3200'. Ran fluid caliper and calculated 87% washout. Ordered 860 lead / 200 tail. Circulate sweep around to clean hole. Drop survey tool and trip out of hole to 8" DC. Had 10 - 15K drag from 2200' - 1300'. Rig up laydown machine. Laydown 8" DC and shock sub. Rig up casers and run 75 joints of 9.625 / J55 / 40 / LTC casing to 3190'. Wash 7' to bottom at 3197' and circulate hole volume. Rig up Halliburton and pump 860 sx of Lead and 200 sx of Tail cement. Displace with 240 BBLs of FW with full returns. Circulate 228 sx of cement to reserve pit and bumped plug to 1200 psi and held. Nippedown BOP stack. Set slips with string weight of 95K and cut casing. Nipple Up B section and test seals to 1500 psi. Nipple Up BOP stack and related equipment. Called BLM for casing / cementing and BOP test.